

SMHC, L.P.
P. O. BOX 308
WOOD RIVER, IL 62095

1-247A002

Ms. Mildred Lee
Interstate Commerce Commission
12X Constitution Av., NW
Rm 2303
Washington, D.C. 20422

August 21, 1991

• 17517
REGISTRATION NO. _____ FILED 105

SEP 4 1991 -9 30 AM

INTERSTATE COMMERCE COMMISSION

Dear Ms. Lee:

Please accept this transmittal letter, enclosed pertinent documents, and \$15.00 fee in order to obtain a Security Lien Agreement and recordization numbers.

The leassor in this transaction is SMHC, L.P. of P. O. Box 308, Wood River, Illinois, 62095, and as of this date no leasee exists.

Also enclosed is an amendment for notification of railcar number charges and \$15.00 fee.

Sincerely,



David Jump
(618) 251-6262

DJ:nh

SEP 4 9 24 AM '91
MOTOR OPERATING UNIT

August 19th, 1991

Ms. Mildred Lee
Interstate Commerce Commission
12X Constitution Ave, NW
Rm 2303
Washington D.C., 20422

1-233AU23

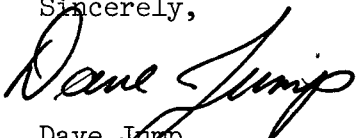
Dear Ms. Lee,

Per our conversation on Monday 8/19/91, I am enclosing the requested documents in order to obtain a Security Lien Agreement, and recordization numbers.

Enclosed is the L&S Agreement- one original notarized, (that we need returned), one copy, and \$15.00.

Also enclosed is an amendment for notification of railcar number changes. One column is the old numbers, and one the new numbers.

Sincerely,



Dave Jump
(618)251-6262

AUG 21 2 59 PM '91
MOTOR OPERATING UNIT

SEP 4 1991 - 9 30 AM

LOAN AND SECURITY AGREEMENT INTERSTATE COMMERCE COMMISSION

LOAN AGREEMENT, dated as of Jan. 16, 1991, between AMERICAN NATIONAL BANK AND TRUST COMPANY OF CHICAGO, as Trustee of the David L. Jump Individual Retirement Account (the "Lender"), and SMHC LIMITED PARTNERSHIP, an Illinois limited partnership (the "Borrower").

WHEREAS, Borrower wishes to borrow, and Lender wishes to lend to Borrower loans in an aggregate principal amount not to exceed \$720,000 (the "Loans"); and

WHEREAS, the obligations of Borrower hereunder shall be evidenced by a promissory note substantially in the form attached hereto as Exhibit A (hereinafter "Borrower's Note") and secured by a security interest in the Collateral as defined below;

NOW, THEREFORE, in consideration of the premises and in order to induce Lender to make the Loans, Borrower and Lender hereby agree as follows:

SECTION 1. Funding of Loans; Conditions Precedent to Funding.

(a) Funding of Loans. Upon the terms and subject to the conditions of this Agreement, and in reliance upon the representations, warranties and covenants of Borrower contained herein, Lender agrees to fund to Borrower such sums, not to exceed \$720,000 (Seven Hundred Twenty Thousand Dollars) in the aggregate, as Borrower may request ("Advances") by submission to Lender of a written notice of borrowing. Upon fulfillment of the conditions set forth in subsection 1(b) hereof, Lender shall make available to Borrower by certified or cashier's check, or by wire transfer, the amount of the Advance specified in such notice of borrowing.

(b) Conditions Precedent to Funding. The obligation of Lender to fund the Loans is subject to the following conditions precedent:

(i) Lender shall have received on or before the date hereof the following, each as of the date hereof, in form and substance satisfactory to Lender:

(A) a copy of the resolutions of the general partner of Borrower authorizing the execution, delivery and performance of this Agreement, certified by the Secretary of Borrower, which certificate shall state that such resolutions are in full force and effect on the date hereof;

(B) the Borrower's Note, duly executed by Borrower; and

(C) any and all necessary documents, necessary to perfect and to continue as perfected Lender's security interest in the Collateral as defined in Section 5 below.

(ii) The representations and warranties contained in Section 6 of this Agreement shall be true and correct on the date hereof and on the date each Advance is to be made, and Lender shall have received a certificate signed by a duly authorized officer of Borrower to such effect.

(iii) No Event of Default (as defined in Section 8 below) has occurred and is continuing, or would result from the issuance of Borrower's Note.

SECTION 2. Borrower's Note. Borrower agrees to issue, and its obligations hereunder shall be evidenced by, the Borrower's Note in the form of Exhibit A hereto, payable to the order of Lender, duly executed on behalf of Borrower and dated the date hereof. Prior to maturity, Borrower's Note shall bear interest at a rate equal to the greater of (x) and (y) where (x) equals ten percent (10%) per annum; and (y) equals the lesser of (A) ninety percent (90%) of the gross income (before reduction for depreciation and taxes) of Borrower during any quarterly interest payment period, and (B) eighty-five percent (85%) of the gross revenues of Borrower during any quarterly interest payment period; provided, however, that in no event shall the interest exceed:

\$450,000 during the first year of Borrower's Note
\$525,000 during the second year of Borrower's Note
\$600,000 during the third year of Borrower's Note
\$675,000 during the fourth year of Borrower's Note
\$750,000 during the fifth year of Borrower's Note or thereafter,

nor shall interest be less than \$72,000 in any such year.

After maturity, whether by acceleration or otherwise, any amount of principal which is not paid when due shall bear interest and, to the extent permitted by law, overdue interest in respect of such principal amount shall bear interest (including post-petition interest in any proceeding under bankruptcy law) at the rate applicable before maturity or the time when such payments of principal or interest become otherwise due hereunder.

The principal amount of Borrower's Note shall be repayable in one (1) installment on the fifth anniversary of the date of Borrower's Note. Prior to maturity, interest on Borrower's Note shall be payable quarterly in arrears on the first business day of each of April, July, October and January, and at maturity, commencing with the first of such dates to occur after the date



of Borrower's Note. After maturity, whether by acceleration or otherwise, accrued interest shall be payable upon demand.

All interest provided for in Borrower's Note shall be computed on the basis of the actual number of days elapsed over a year consisting of 365 or 366 days, as the case may be.

Each payment of principal and interest shall be made in lawful money of the United States of America in immediately available funds to the Lender at 33 North LaSalle Street, Chicago, Illinois 60602.

SECTION 3. Prepayments. Borrower shall have no right to prepay Borrower's Note in whole or in part.

SECTION 4. Obligations Absolute. Except as hereinafter provided, the obligations of Borrower under this Agreement shall be absolute, unconditional and irrevocable and shall be paid and performed strictly in accordance with the terms of this Agreement under all circumstances whatsoever.

SECTION 5. Collateral.


(a) Security Interest. To secure the payment of Borrower's indebtedness evidenced by Borrower's Note, Borrower hereby grants a continuing security interest in favor of Lender in certain railcars (the "Collateral") as more particularly described on Exhibit B hereto.

(b) Preservation of Collateral and Perfection of Security Interests Therein. Borrower shall execute and deliver to Lender, concurrently with the execution of this Agreement, and at any time or times hereafter at the request of Lender, all financing statements or other documents as Lender may request necessary to perfect and keep perfected the security interest in the Collateral granted by Borrower to Lender, or to otherwise protect and preserve the Collateral and Lender's security interest therein, including without limitation any and all documents necessary to be filed with the Interstate Commerce Commission.

SECTION 6. Representations and Warranties. Borrower represents and warrants as follows:

(a) Organization. Borrower is a duly formed and validly existing Illinois limited partnership in good standing under the laws of the State of Illinois.

(b) Authorization. The execution, delivery and performance by Borrower of this Agreement and the Borrower's Note are within Borrower's partnership powers, have been duly authorized by all necessary action, do not contravene (i) the Borrower's limited partnership agreement or (ii) any law or



contractual restriction of any kind or any obligation for borrowed money binding on or affecting Borrower or its property, and do not result in or require the creation of any lien, security interest or other charge or encumbrance upon or with respect to any of its properties, except as contemplated by this Agreement.

(c) Validity. This Agreement is a valid and legally binding obligation of Borrower, enforceable against Borrower in accordance with its terms, except as such enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium or other laws or equitable principles relating to or limiting creditors' rights generally.

(d) Collateral. Borrower has full right, title and interest to the Collateral, and the Collateral is and will continue to be owned by Borrower, has been fully paid for and is free and clear of all security interests, liens, claims and encumbrances.

(e) Principal Place of Business. As of the date hereof, Borrower's principal place of business is located at 115 Executive Drive, Suite 105D, Highland, Illinois 62249.


SECTION 7. Covenants of Borrower. Borrower covenants and agrees:

(a) not to merge or consolidate into or with any other person or entity, or sell, assign, lease, transfer or otherwise dispose of all or substantially all of its assets to any other person or entity without the prior written consent of Lender;

(b) not to sell or offer to sell or rent, lease or encumber the Collateral, or otherwise dispose of the Collateral or any of Lender's rights therein, without the prior written consent of Lender;

(c) not to permit (i) any other security interest or lien to attach to the Collateral, (ii) the Collateral to be levied upon under any legal process, or (iii) any other act or event to occur that may impair the value of the Collateral or the security interest created in favor of the Lender by this Agreement;

(d) to keep all property, including without limitation, the Collateral, useful and necessary in its business in good working order and condition; to maintain with financially sound and reputable insurance companies, insurance on all its property, including without limitation, the Collateral, in at least such amounts and against at least such risks as are usually insured against in the same general area by persons of established repute engaged in the same or a similar business and as acceptable to Lender;



(e) to pay all taxes and assessments which are, or may be levied against, or which will or may constitute a lien upon, the Collateral or any part thereof, promptly after the same shall become due and payable; and

(f) to maintain at all times books, records and accounts which fairly present the financial position of Borrower in conformity with generally accepted accounting principles; and to permit representatives of Lender to examine and make abstracts from any of its books and records and to discuss the affairs, finances and accounts with its officers, employees and independent public accountants, all at such reasonable times and as often as may reasonably be desired.

SECTION 8. Events of Default. Upon the occurrence of any of the following events (herein referred to as an "Event of Default"), unless waived by Lender pursuant to Section 8 hereof:

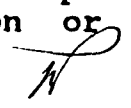
(a) Borrower fails to make payment of the principal of, or interest on, the Borrower's Note when due and payable;

(b) Borrower fails to perform, keep or observe, any term, provision, covenant, condition, warranty or representation contained in this Agreement and not listed in (a) above or in the Borrower's Note which is required to be performed, kept or observed by Borrower, and any such failure shall continue for a period of thirty (30) days after notice by Lender of such failure;

(c) the occurrence of a default or an event of default under any agreement, instrument or document heretofore, now or at any time hereafter delivered by or on behalf of Borrower to Lender (i) for borrowed money or (ii) with respect to Borrower's obligations hereunder;

(d) the occurrence of a default or an event of default under any agreement, instrument or document now or at any time hereafter delivered to Lender by any guarantor of Borrower's obligations hereunder;

(e) Borrower shall (i) apply for or consent to the appointment of a receiver, trustee, liquidator or custodian or the like of itself or of its property, (ii) admit in writing its inability to pay its debts generally as they become due, (iii) make a general assignment for the benefit of creditors, (iv) be adjudicated a bankrupt or insolvent, or (v) commence a voluntary case under the federal bankruptcy laws of the United States of America or file a voluntary petition or answer seeking reorganization, an arrangement with creditors or an order for relief or seeking to take advantage of any insolvency law or file an answer admitting the material allegations of a petition filed against it in any bankruptcy, reorganization or insolvency



proceeding; or corporate or other action shall be taken by it for the purpose of effecting any of the foregoing; or

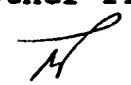
(f) if without the application, approval or consent of Borrower, a proceeding shall be instituted in any court of competent jurisdiction, under any law relating to bankruptcy, insolvency, reorganization, or relief of debtors seeking in respect of Borrower an order for relief or an adjudication in bankruptcy, reorganization, dissolution, winding up, liquidation, a composition or arrangement with creditors, a readjustment of debts, the appointment of a trustee, receiver, liquidator or custodian or the like of Borrower or of all or any substantial part of its assets, or other like relief in respect thereof under any bankruptcy or insolvency law, and, if such proceeding is being contested by Borrower in good faith, the same shall (i) nevertheless result in the entry of an order for relief or in any such adjudication or appointment or (ii) continue undismissed, or pending and unstayed, for any period of sixty (60) consecutive days;

then, in any such event, Lender may, (i) by written notice to Borrower, declare the obligations of Borrower under the Borrower's Note and Section 2 hereof to be forthwith due and payable, whereupon the same shall become due and payable without demand, presentment, protest or further notice of any kind, all of which are hereby expressly waived; and/or (ii) pursue any other remedy available to it under this Agreement or otherwise, including without limitation, any and all rights of enforcement under the Uniform Commercial Code and/or the Interstate Commerce Act.

SECTION 9. Amendments, Etc. No amendment or waiver of any provision of this Agreement nor consent to any departure by the Borrower therefrom shall in any event be effective unless the same shall be in writing and signed by Lender, and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given.

SECTION 10. Notices. Except as expressly provided for herein, all notices and other communications provided for hereunder shall be in writing and, if to Borrower, addressed to it, 115 Executive Drive, Suite 105D, Highland, Illinois 62249, Attention: Fred L. Parsons or if to Lender, addressed to it at 33 North LaSalle Street, Chicago, Illinois 60602, Attention: Trust Department, or as to each party as stated in a written notice to the other party. All such notices and other communications shall be effective when deposited in the mails, addressed as aforesaid.

SECTION 11. No Waiver; Remedies. No failure on the part of the Lender to exercise, and no delay in exercising, any right hereunder shall operate as a waiver thereof; nor shall any single or partial exercise of any right hereunder preclude any other further exercise thereof or the exercise of any other right. The



remedies herein provided are cumulative and not exclusive of any remedies provided by law.

SECTION 12. Severability. Any provision of this Agreement which is prohibited, unenforceable or not authorized in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition, unenforceability or nonauthorization without invalidating the remaining provisions hereof or affecting the validity, enforceability or legality of such provision in any other jurisdiction.

SECTION 13. Governing Law. This Agreement shall be governed by, and construed in accordance with, the laws of the State of Illinois applicable to contracts to be performed in said state.

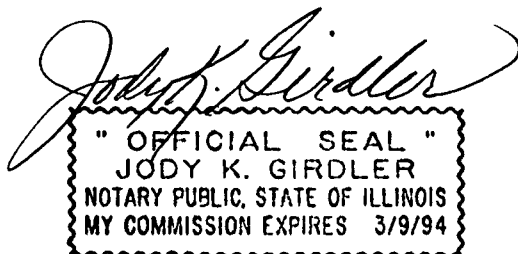
SECTION 14. Headings. Section headings in this Agreement are included herein for convenience of reference only and shall not constitute a part of this Agreement for any other purpose.

SECTION 15. Counterparts. This Agreement may be signed in any number of counterparts, each of which shall be an original with the same effect as if the signatures thereto and hereto were upon the same instrument.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed and delivered by their respective officers thereunto duly authorized as of the date first above written.

AMERICAN NATIONAL BANK AND TRUST
COMPANY OF CHICAGO, as Trustee
of the David L. Jump Individual
Retirement Account

By: [Signature]
Title: TRUST OFFICER



SMHC LIMITED PARTNERSHIP

By: [Signature]

Title: General Partner

PROMISSORY NOTE

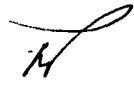
Jan. 16, 1991

FOR VALUE RECEIVED, SMHC Limited Partnership, an Illinois limited partnership ("Borrower"), promises to pay to the order of American National Bank and Trust Company of Chicago, as Trustee of the David L. Jump Individual Retirement Account ("Lender") the unpaid principal amount of Borrower's Loans (as defined in that certain Loan and Security Agreement dated Jan. 16, 1991 by and between Borrower and Lender, the "Loan Agreement") in accordance with the Loan Agreement, together with interest on the principal amount remaining unpaid hereunder from time to time outstanding from the date hereof until such principal amount is paid. The principal amount of Borrower's Loans evidenced by this Note shall be paid in one installment on _____, 1991.

Prior to maturity, the unpaid principal amount hereof shall bear interest payable at the times specified and at the rates per annum set forth in the Loan Agreement. After maturity, whether by acceleration or otherwise, any amount of principal hereof which is not paid when due shall bear interest and, to the extent permitted by law, overdue interest in respect of such principal amount shall bear interest (including post-petition interest in any proceeding under bankruptcy law) payable at the times specified and at the rate per annum set forth in the Loan Agreement.

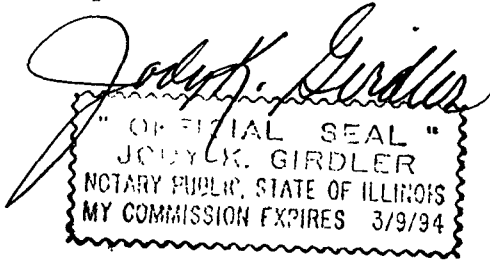
All interest provided for herein shall be computed on the basis of the actual number of days elapsed over a year consisting of 365 or 366 days as the case may be. All payments on account of the indebtedness represented by this Note shall be applied to accrued and unpaid interest and the remainder to principal. Interest, principal and all other amounts payable hereunder shall be paid in lawful money of the United States of America in immediately available funds to the Lender at 33 North LaSalle Street, Chicago, Illinois 60602, or such other address as notified by the Lender to the Borrower in writing.

This Note is given in connection with and secured by the Loan Agreement and is subject to the terms and conditions provided in such Loan Agreement, including, without limitation, the rights and requirements as to prepayment and acceleration and extension of the maturity hereof. In the event of a default under the Loan Agreement securing this Note which continues beyond any applicable grace period therein, this Note shall thereupon become immediately due and payable in the unpaid principal amount hereof plus interest at such rates and as provided for in the Loan Agreement.



Borrower and every endorser waive presentment, demand and protest and notice of presentment, protest, default, nonpayment, maturity, release, compromise, settlement, extension or renewal of this Note.

This note shall be governed and controlled by the laws of the State of Illinois as to interpretation, enforcement, validity, construction, effect, choice of law and in all other respects.



SMHC LIMITED PARTNERSHIP

By: _____

General Partner

SMAC

17517
REGISTRATION NO. _____ FILED 1425

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INTERSTATE COMMERCE COMMISSION

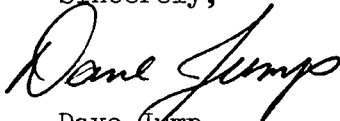
August 19th, 1991

Attn: Ms. Mildred Lee
Interstate Commerce Commission
12X Constitution Ave, NW
Rm 2303
Washington, D.C. 20422

Dear Ms. Lee,

The following is an amendment for new car numbers. The left column is the column which we are requesting the Security Lien Agreement and recordization numbers. The right column is the old car numbers before changes, in case you need to reference.

Sincerely,



Dave Jump
(618)251-6262

OLD CAR #15

516x

 NaHX

SIPX	44235	SMHC, L.P.	(hopper)
SIPX	44311	SMHC, L.P.	(hopper)
SIPX	44347	SMHC, L.P.	(hopper)
SIPX	44530	SMHC, L.P.	(hopper)
SIPX	44533	SMHC, L.P.	(hopper)
SIPX	44537	SMHC, L.P.	(hopper)
SIPX	44553	SMHC, L.P.	(hopper)
SIPX	44556	SMHC, L.P.	(hopper)
SIPX	44809	SMHC, L.P.	(hopper)
SIPX	47117	SMHC, L.P.	(hopper)
SIPX	47458	SMHC, L.P.	(hopper)
SIPX	47486	SMHC, L.P.	(hopper)
SIPX	48282	SMHC, L.P.	(hopper)
SIPX	48370	SMHC, L.P.	(hopper)
SIPX	48704	SMHC, L.P.	(hopper)
SIPX	48721	SMHC, L.P.	(hopper)
SIPX	48773	SMHC, L.P.	(hopper)
SIPX	48775	SMHC, L.P.	(hopper)
SIPX	49135	SMHC, L.P.	(hopper)
SIPX	49136	SMHC, L.P.	(hopper)
SIPX	49146	SMHC, L.P.	(hopper)
SIPX	49161	SMHC, L.P.	(hopper)
SIPX	49165	SMHC, L.P.	(hopper)
SIPX	49173	SMHC, L.P.	(hopper)
SIPX	49195	SMHC, L.P.	(hopper)
SIPX	49196	SMHC, L.P.	(hopper)
SIPX	49214	SMHC, L.P.	(hopper)
SIPX	49223	SMHC, L.P.	(hopper)
SIPX	49225	SMHC, L.P.	(hopper)
SIPX	49244	SMHC, L.P.	(hopper)
SIPX	49253	SMHC, L.P.	(hopper)
SIPX	49270	SMHC, L.P.	(hopper)
SIPX	49579	SMHC, L.P.	(hopper)
SIPX	49588	SMHC, L.P.	(hopper)
SIPX	49603	SMHC, L.P.	(hopper)
SIPX	49616	SMHC, L.P.	(hopper)
SIPX	49617	SMHC, L.P.	(hopper)
SIPX	49619	SMHC, L.P.	(hopper)
SIPX	49716	SMHC, L.P.	(hopper)
SIPX	49738	SMHC, L.P.	(hopper)
SIPX	52012	SMHC, L.P.	(hopper)
SIPX	52616	SMHC, L.P.	(hopper)
SIPX	53524	SMHC, L.P.	(hopper)
SIPX	53630	SMHC, L.P.	(hopper)
SIPX	53646	SMHC, L.P.	(hopper)
SIPX	53651	SMHC, L.P.	(hopper)
SIPX	53652	SMHC, L.P.	(hopper)
SIPX	53653	SMHC, L.P.	(hopper)
SIPX	53664	SMHC, L.P.	(hopper)
SIPX	576347	SMHC, L.P.	(hopper)
SIPX	579721	SMHC, L.P.	(hopper)
SIPX	579725	SMHC, L.P.	(hopper)
SIPX	581037	SMHC, L.P.	(hopper)
SIPX	800301	SMHC, L.P.	(hopper)

destroyed 5/31/91

SNHX	44235	SNHC, L.P.	(hopper)
SNHX	44311	SNHC, L.P.	(hopper)
SNHX	44347	SNHC, L.P.	(hopper)
SNHX	44530	SNHC, L.P.	(hopper)
SNHX	44533	SNHC, L.P.	(hopper)
SNHX	44537	SNHC, L.P.	(hopper)
SNHX	44553	SNHC, L.P.	(hopper)
SNHX	46756	SNHC, L.P.	(hopper)
SNHX	46809	SNHC, L.P.	(hopper)
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SNHX	49225	SNHC, L.P.	(hopper)
SNHX	49244	SNHC, L.P.	(hopper)
SNHX	49253	SNHC, L.P.	(hopper)
SNHX	49279	SNHC, L.P.	(hopper)
SNHX	49579	SNHC, L.P.	(hopper)
SNHX	49588	SNHC, L.P.	(hopper)
SNHX	49603	SNHC, L.P.	(hopper)
SNHX	49616	SNHC, L.P.	(hopper)
SNHX	49617	SNHC, L.P.	(hopper)
SNHX	49619	SNHC, L.P.	(hopper)
SNHX	49716	SNHC, L.P.	(hopper)
SNHX	49738	SNHC, L.P.	(hopper)
SNHX	52912	SNHC, L.P.	(hopper)
SNHX	53616	SNHC, L.P.	(hopper)
SNHX	53624	SNHC, L.P.	(hopper)
SNHX	53630	SNHC, L.P.	(hopper)
SNHX	53646	SNHC, L.P.	(hopper)
SNHX	53651	SNHC, L.P.	(hopper)
SNHX	53652	SNHC, L.P.	(hopper)
SNHX	53653	SNHC, L.P.	(hopper)
SNHX	53664	SNHC, L.P.	(hopper)
SNHX	476347	SNHC, L.P.	(hopper)
SNHX	478721	SNHC, L.P.	(hopper)
SNHX	478725	SNHC, L.P.	(hopper)
SNHX	511037	SNHC, L.P.	(hopper)
SNHX	800301	SNHC, L.P.	(hopper)

destroyed 5/31/91